

# Office of Attorney General Terry Goddard



STATE OF ARIZONA  
DEPARTMENT OF LAW  
1275 W. WASHINGTON STREET  
PHOENIX, ARIZONA 85007-2926  
[WWW.AZAG.GOV](http://WWW.AZAG.GOV)

ANDREA M. ESQUER  
PRESS SECRETARY  
PHONE: (602) 542-8019  
CELL PHONE: (602) 725-2200

**FOR IMMEDIATE RELEASE**

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## **Terry Goddard Sues Computer Chip Manufacturers for Price-Fixing**

(Phoenix, Ariz. – July 14, 2006) Attorney General Terry Goddard today announced Arizona joined a multi-state lawsuit alleging price-fixing by the manufacturers of Dynamic Random Access Memory (DRAM) chips, which are a widely used form of computer memory found in personal computers, servers and other electronic devices. The lawsuit alleges that the price-fixing scheme increased the cost of personal computers and servers.

Goddard's office is representing Arizona consumers, cities and towns, school districts, counties and state agencies that paid more for computers because of the alleged price-fixing.

"For years, Arizona consumers and state agencies paid more for computers as a result of a price-fixing conspiracy by companies that make memory chips, which are crucial components of many high-tech products," Goddard said. "Our lawsuit seeks to prohibit manufacturers from manipulating prices in the future and to recoup some of the public's losses."

Arizona and 33 other states filed the complaint in U.S. District Court in San Francisco seeking damages, restitution, civil penalties and injunctive relief for consumers and state agencies that paid higher prices for electronics from 1998 to 2002 as a result of alleged price-fixing by eight companies. The states' suit is the result of a multi-state investigation that began in 2004, as well as a federal investigation that exposed a scheme where DRAM manufacturers profited at the expense of consumers.

The suit brings charges against Elpida, Hynix, Infineon, Micron, Mosel Vitelic, Nanya and NEC. According to the states' complaint, the defendants violated federal and state antitrust laws by coordinating prices they charged for DRAM. The lawsuit seeks an unspecified amount of damages and an injunction against future illegal conduct.

In June 2002, the U.S. Department of Justice launched a criminal investigation into what officials have called "one of the largest cartels ever discovered." Micron agreed to cooperate with investigators in exchange for amnesty from federal criminal charges. Several defendants and 12 individuals have since pleaded guilty to criminal price-fixing and collectively paid more than \$730 million in fines.

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